



## AGENDA ITEM III.1a

Regular Board Meeting

Approved Minutes

January 14, 2008

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### District Attendees

|                   |                       |
|-------------------|-----------------------|
| Randy Marx        | Board President       |
| Timothy Healey    | Board Vice President  |
| Barry Brown       | Board Member          |
| Daniel Gilliam    | Board Member          |
| Misha Sarkovich   | Board Member          |
| Tom R. Gray       | General Manager       |
| Michael Nisenboym | Operations Manager    |
| Chi Ha-Ly         | Sr. Financial Analyst |

### Other Attendees

### Absent

## AGENDA ITEMS

### **I. Call to Order**

President Marx called the meeting to order at 6:30 p.m.

### **II. Public Comment**

None.

### **III. Consent Calendar**

The following consent calendar items were considered and acted upon as follows:

1. Approval of Minutes:
  - a. Regular Board Meeting of November 13, 2007
  - b. Regular Board Meeting of December 10, 2007
2. Accept and file: Treasurer's report for the month of December, 2007
3. Accept and file: Investment report for the month of November, 2007
4. Accept and file: Monthly Financial Expenses for November, 2007
5. Approval of Warrants
6. Approval of Cal Card Statement
7. Approval of Monthly Board Expense Report for December, 2007

- General Manager Gray would like to update item III.1a, December 10, 2007 Regular Minutes. He suggested that for full disclosure, adding the actual motion and vote following President Marx's report under item XII.2, closed session. The actual motion was as follow:

M/S Gilliam/Marx

Ayes: Gilliam, Healey, Marx, Sarkovich

Noes: Brown

- Director Brown pulled item III.1a. He indicated that under item XI, "Public Comment" from the Regular Meeting Minutes of November 13, 2007, it should read "Fair Oaks Village Enhancement Committee."

M/S/C Gilliam/Sarkovich, to approve the consent calendar as amended.

#### **IV. Presentation & Correspondence**

##### **1. Director Service Awards: Randy Marx as 2007 Board President.**

- General Manager Gray presented the plaque to President Marx. He stated that staff and the Board would like to thank President Marx for his service as Board President for 2007.

##### **2. NWRA election results**

- General Manager Gray stated that the results for NWRA are as follows:
  - Board of Directors are:
    - David A Breninger, Placer County Water Agency
    - Lawrence M. Libeu, San Bernardino Valley WCD
    - John Fraser, El Dorado Irrigation District
  - Alternates are:
    - Wayne Clark, Municipal Water District of Orange County
    - Adrienne (Ann) Mathews, Kern County WA

##### **3. RWA Executive Director letter of resignation**

- General Manager Gray stated that RWA and SGA Executive Director, Mr. Ed Winkler, submitted his resignation effective March 2008.

##### **4. FOWD receives President's Special Recognition Award from ACWA JPIA**

- General Manager Gray stated that the District received the President Special Recognition Award for reduced claims.

##### **5. Recent Recycling revenue**

- General Manager Gray stated that the District collected approximately \$3,600 in December on recycled materials thanks to staff effort.

**6. ACWA JPIA 2007 refund**

- General Manager Gray stated that the District received approximately \$41k in refunds from ACWA JPIA resulting from low claims.

**V. Action Items: Old Business**

**1. Discussion and possible action on a revision to the approved 2008 FOWD Annual Budget.**

- General Manager Gray stated that during the annual evaluation, staff discovered an error in the 2008 adopted salaries budget and would like to bring it to the Board's attention. The revision resulted in increase in the salaries of \$131k and benefits of \$24k totaling \$155k. The \$155k would change the District's previously adopted budget reserve from \$3.54M to \$3.4M. The current District minimum reserve is \$3.09M. The District is still in compliance with the reserve policy with the revision to the budget.

M/S/C Gilliam/Sarkovich, to approve the revision to the 2008 Adopted Budget.

**2. Discussion and possible action on 2008 FOWD Goals.**

- Vice President Healey recommended removing the Water Quality Compliance from the list and the Board agreed.
- President Marx stated that General Manager Gray will put a list together with the 17 items discussed and forward to each Director by the end of the week (January 18, 2008). Each Director will rank the items and respond by the end of next week (January 25, 2008).

**VI. Action Items: New Business**

**1. Discussion and possible action on the selection of Board President and Vice President.**

M/S/C Marx/Gilliam, to nominate Vice President Healey as President.

M/S Marx/Healey, to nominate Director Brown as Vice President.

Ayes: Brown, Healey, Marx

Noes: Gilliam, Sarkovich

**2. Discussion and possible action on appointments to serve as District representatives to various organizations.**

- President Marx stated that each Director should provide Vice President Healey with a list of the Committees or Organizations he would like to be in or represent and the reason. Vice President Healey will place the members to the Committees and Organizations based on the information provided by the Board members.
- Item Deferred.

**3. Discussion and possible action on appointments to serve on District committees.**

- Item Deferred. (see discussion from V1.2)

**4. Discussion and possible action on a 2008 merit increase for District staff based on 2007 performance.**

- General Manager Gray recommended that the Board approve a 3.7% merit in base salary to be implemented on the first pay period for 2008 and the updated 2008 salary ranges; the merit will be allotted based on the 2007 performance. General Manager Gray stated that his recommendation of the 3.7% is based on the Consumer Price Index (CPI) for Urban Wage Earners and Clerical Workers USA City Average of 3.7 percent reported twelve months ending October 2007.
- General Manager Gray stated that the estimated 2007 salary is below 2007 salary budget due to vacant positions. If the District applies the 3.7% to the 2007 actual, the District will again be below budget for 2008. Staff elected and the Board approved, to include the vacant positions in the 2008 budget and carry these positions forward until the District doesn't see the need to fill these positions permanently.

M/S/C Gilliam/Sarkovich, to approve the 3.7 percent merit increase in base salary effective the first pay period of 2008 to be allotted based on 2007 performance and to approve the updated 2008 FOWD salary ranges.

**5. Discussion and possible action on General Manager's 2008 Professional Development Calendar**

- General Manager Gray stated that he brought his professional development calendar forward to inform the Board and for full disclosure to the public.

**VII. Upcoming Events**

**1. January 16, 2008 at 7:30 AM / Supervisor Roberta MacGlashan's Fair Oaks Community Cabinet Meeting**

- Director Brown stated that the Fair Oaks Village Enhancement Committee also meets on the 16<sup>th</sup> at 8:45 AM following the Supervisor Roberta MacGlashan's meeting.
- General Manager informed the Board that he would like to attend the Fair Oaks Village Enhancement Committee on a regular basis and work with Director Brown in obtaining support for the District's building projects.

**2. January 24, 2008 at 8:30 AM / Assemblyman Roger Niello's Community Meeting**

- Director Gilliam stated that the time should be 7:30 AM.

**VIII. Representative Reports**

- 1. Sacramento Groundwater Authority (SGA)**
  - No report.
- 2. Regional Water Authority (RWA)**
  - General Manager Gray stated that the meeting included discussion of the resignation of the RWA Executive Director Ed Winkler and the elections of officers to the Executive Committee and that he was elected to represent the FOWD on that Committee.
- 3. San Juan Family of Agencies Executive Committee**
  - No report.
- 4. Other**
  - None.

## **IX. Director's Reports & Comments**

- 1. Budget Committee – (*Sarkovich, Healey*)**
  - No report.
- 2. Technical Advisory Committee – (*Brown, Marx*)**
  - No report.
- 3. Capital Improvement Committee – (*Gilliam, Sarkovich*)**
  - Director Gilliam stated that the Architects have almost completed a detailed design of the New Administrative building.
- 4. Personnel Committee – (*Marx, Brown*)**
  - No report.
- 5. Public Relations Committee – (*Brown, Healey*)**
  - No report.
- 6. Other**

## **X. General Manager's Reports**

- 1. Monthly Work Performance Report**
  - General Manager Gray reported that in December, the District installed 85 meters which brings the District to 1,213 meters. The District's target for the entire year is 1,140. The District exceeded the targeted number. General Manager Gray commended the staff for going beyond and above the goal.
  - Director Gilliam would like to thank the staff for their effort.

## **2. Water Quality Compliance**

- General Manager Gray stated the District is in total compliance.
- Director Brown inquired water quality complaints.
- General Manager Gray stated that the complaints are filed annually to the Department of Health Services.
- Mr. Nisenboym stated that the District will report by the deadline March 31, 2008.
- General Manger Gray stated that he will provide the reported information to the Board at the April meeting.

## **3. Water Supply Agreements**

- No report.

## **4. Groundwater Remediation Issues**

- No report.

## **5. New Building Status**

- No report.

## **6. Five-Year Financial Plan**

- No report.

## **7. Update Policy Manual**

- No report.

## **8. Emergency Response Plan**

- General Manager Gray stated that he will bring the Emergency Response Plan to the next Board meeting.

## **9. Hydraulic Model Development**

- No report.

## **10. Update on SJWD report on Fair Oaks 40” Main Pipeline**

- No report.

## **11. Other**

- General Manger Gray stated that he has a report back item related to the Standard Specifications Manual. Director Brown requested that staff look at the policy to see if there are any modifications to the required existing policy. The related policy is FOWD No. 6000 and there is no substantial affect to the policy based on the approved Standard Specifications Manual. General Manager Gray recommended updating the policy because it addressed private water systems and the District has no authority over the private water systems.
- General Manager Gray stated that the District was on Channel 13 and 31 News and was in the Sacramento Bee related to FOWD Conservation Outreach.

- General Manager Gray reported that under the minutes of the San Juan Water District's and their annual audit, one of the items highlighted in the "Management Letter and Request for Correction" is the policy for allotting the indirect and administrative expenses were unclear. General Manager Gray stated that the percentages related to the allocation of overhead costs to wholesale and retail should become more transparent.
- Director Brown inquired on the RFQ for the public relations consultant and the Newsletter.
- General Manager Gray stated that he did not send them out yet.
- President Marx stated that General Manager Gray should send out the RFQ for the public relations consultant by the next Board meeting, February 11, 2008.

**XI. Public Comment**

- None.

President Marx closed the open session of the meeting at 8:52 p.m.

President Marx called the closed session meeting to order 8:55 p.m.

**XII. Closed Session Pursuant to Government Code Sections 54956.9 and 54957**

- Existing Litigation (*Subdivision (a) of Section 54956.9*) Name of case: *Fair Oaks Water District vs. Richard Plecker et al. Sacramento County Superior Court Case No. 05AS0545.*
- Existing Litigation (*Subdivision (a) of Section 54956.9*) Name of case: *Diane Grass vs. Fair Oaks Water District et al. Sacramento County Superior Court Case No. 07AS03478*

President Marx closed the closed session at 9:12 p.m.

President Marx reopened the open session of the meeting at 9:12 p.m.

Reportable action – "The Board instructed the General Manager to draft a letter to the FBI regarding the lack of action on legal matters related to former management."

M/S/C Gilliam/Brown

**XII. Adjournment**

With no further business to come before the Board, President Marx adjourned the meeting at 9:14 p.m.

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The Board approved the preceding minutes on February 11, 2008

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Tom R. Gray  
General Manager/Board Secretary

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Date